



July 12, 2013

By email: comments@osc.gov.on.ca; consultation-en-cours@lautorite.gc.ca

Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, ON M5H 3S8

Me Anne-Marie Beaudoin
Corporate Secretary
Autorité de marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3

Dear Sirs/ Madames:

RE: Proposed Amendments to Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*, National Policy 62-203 *Take-Over Bids and Issuer Bids* and National Instrument 62-103 *Early Warning System and Related Take-Over Bid and Insider Reporting Issues* (the "Proposals")

Thank you for the opportunity to provide comments to the Proposed Amendments the Proposals.

Brandes Investment Partners & Co., operates as Bridgehouse Asset Managers (Bridgehouse), is registered in all jurisdictions in Canada as a portfolio manager (PM), exempt market dealer (EMD) and mutual fund dealer (MFD) (except in Quebec), exempt from the requirement to become a member of the Mutual Fund Dealers Association (MFDA), and as an investment fund manager (IFM) in Ontario, Quebec and Newfoundland & Labrador.

Bridgehouse operates primarily as an IFM, directing the business and operations of the Bridgehouse Funds, offered pursuant to a simplified prospectus, and subject to National Instrument 81-102 – *Mutual Funds* (NI 81-102).



We recognize and support the CSA's efforts in providing greater transparency regarding the significant holdings of issuers' securities and in particular the activities of investors who are seeking to exercise control over an issuer. We are concerned however with the treatment of National Instrument 81-102 – *Mutual Funds* (NI 81-102) mutual funds under the Proposals.

As you are aware, National Instrument 81-102 – *Mutual Funds* (NI 81-102) establishes investment restrictions that prohibit mutual funds from acquiring more than 10% of the votes attaching to the outstanding voting securities or outstanding equity securities of a reporting issuer and from purchasing a security for the purpose of exercising control over, or management of, the company. As a result of these restrictions, NI 81-102 mutual funds are not in a position to exercise control over a particular issuer.

As drafted, the Proposals have removed NI 81-102 mutual funds from the definition of eligible institutional investors (EII) and therefore unable to follow the alternative monthly reporting (AMR) regime. If the intention of the provision of the AMR regime is to identify those large investors who are investing based on the merits of the company and not with the intent to exercise control, we believe that it should continue to extend to NI 81-102 mutual funds.

Further, we do not believe it is appropriate to have NI 81-102 mutual funds subjected to the lower threshold of a 5% ownership triggering the initial filing and subsequent threshold level triggers. We contend that increasing the reporting of such information will result in the opposite of the intended objective of the Proposals by making it more difficult to identify those investors who are seeking to exercise control of the issuer. In addition, the lower thresholds that trigger reporting will increase the administration costs related to managing mutual funds with such costs being ultimately borne by the unitholders.

Thank you for the opportunity to provide our comments on the Proposal.

Yours truly,

Handwritten signature of Oliver Murray in black ink.

Oliver Murray
CEO

Handwritten signature of Carol Lynde in black ink.

Carol Lynde
President & COO